

R., F. & P. MOVES FOR COMPROMISE

Railroad Now Ready to
Settle Dispute With
State.

WILL SURRENDER ANCIENT CHARTER

Must Give Up Exemption From
Taxation Before Agreement Is
Effective—Special Commis-
sion Empowered to Ar-
range Payment of Enor-
mous Tax Arrearages.

Acting under a special act of the last Legislature, the Richmond, Fredericksburg and Potomac Railroad has indicated its desire for a complete settlement of all the differences between the railroad and the Commonwealth of Virginia. It has asked that the special commission authorized by the act be formed and organized for the purpose of treating with the railroad concerning a compromise of the arrearages of taxes held by the State to be due and unpaid.

As a condition precedent to such settlement the Richmond, Fredericksburg and Potomac must surrender its ancient charter, issued to it on February 23, 1824. It must then reconstitute under the new Constitution and laws of Virginia surrendering its immensely valuable exemptions from State and local taxation. In return, it will be freed from the special burdens imposed on it by its archaic franchise to do business.

Five Men Will Act.

By the terms of the law as passed by the General Assembly at its last session, the Governor and the three members of the political subdivisions Commission, together with a fifth man to be selected by the affirmative vote of any three of those named, are created a special commission of five. With power and authority to represent the State and to treat with the Commonwealth and its political subdivisions in negotiating and executing a compact with the Richmond, Fredericksburg and Potomac Railroad Company for a compromise settlement and adjustment of certain matters between the Commonwealth and the company.

This law went into effect on June 14. The railroad company has lost no time in seeking a compromise regarding the immense amount of money claimed by it by the State, and division of which is now pending in the Supreme Court of the United States. It has asked that the special commission be ready to treat with its representatives.

Hunting Fifth Member.

The first step in the selection of the fifth man has been taken by the Corporation Commission and the Governor, and some correspondence is already going on with reference to his choice. Nobody, as yet, knows who he will be, but it is understood that at least three persons are under consideration. This is a position of great importance, as the man who is not only qualified to deal with the many intricate questions presented, but who in addition can give his time and attention to their solution.

In view of the anxiety of the railroad company to get the negotiations under way, the appointment will not be long delayed, and the special commission will soon be ready for business. The settlement, if it can be brought about, will be a lengthy and tedious affair.

Heavy Sum Is Involved.

The Commonwealth of Virginia claims that the Richmond, Fredericksburg and Potomac Railroad Company owes it about a quarter of a million dollars, covering only the franchise taxes assessed for the past ten years, with penalties and interest. The exact amount of the litigation is much smaller, as only a year's taxes were asked for in the suit, which was brought as a test. But even the quarter of a million is a small part of what the railroad may eventually be called upon to pay, unless the settlement is made.

There remains the property tax issue since the Constitution of 1902 became effective, and greater than all these are the local taxes of the cities and counties through which the railroad runs. The Richmond, Fredericksburg and Potomac Railroad, originally a stage line, but now operating one of the most valuable and profitable railroad properties in the world, running from Elba Station, in Richmond, to Aquia Creek, north of Fredericksburg, is free from all taxes taken from the State or local. This exemption has helped it to make money for its stockholders, one of which is the State, which holds a large block of the stock. Many attempts have been made to have this road pay taxes like all other Virginia railroads, and the plan which is now being finally turned out to have been successful was put in the new Constitution, providing that any railroad which accepted an amendment to its charter should thereby surrender any exemption from taxation which it might have enjoyed.

The road changed part of its route, and the State seized the opportunity. After protracted litigation, the Supreme Court of Virginia decided in favor of the State on the matter of franchise taxes, which have been assessed since the Constitution went into effect. An appeal was taken to the Supreme Court of the United States, on the ground that the State passed a law impairing the obligations of a contract—the original charter. This appeal is now pending, and no decision may be expected for a year or two.

Should the State finally win the decision might be such as to permit the levying and collection of arrears of taxes for years, not only on the franchise, but on the property, both for the State and the counties and cities. Possibly \$1,000,000 is involved. Naturally the railroad would like to compromise.

(Continued on Second Page.)

PROTEST AGAINST BITULITHIC PLAN

Broad-Street Merchants
Take Up Arms for
Asphalt Block.

LOBBY LOCKED OUT OF MEETING

Business Men at Fraternity Hall
Exclude Paid Representatives
of Bitulithic Company and
Adopt Resolution Recommending Postponement of
Paving Till 1913.

Broad Street merchants rose in a body yesterday afternoon at Fraternity Hall and denounced look-alike and harp the proposition to pave Richmond's principal retail thoroughfare with bitulithic. Speaker after speaker entered his protest against what was designated by one as the most "misguided" street-paving plan that it was possible for the Council to recommend.

Two letters were produced, one from a large property owner of New York and New Jersey, and the other from the City Engineer of Baltimore, both declaring that bitulithic pavement as far as it has come under their observation, has proved unsuccessful.

When all hands had taken a vote at the proposition to pave Broad Street with bitulithic, and had declared themselves as unequivocally in favor of asphalt block, the assembled merchants adopted unanimously a resolution addressed to the Council, recommending the last named pavement, and suggesting further that the Council postpone the paving of Broad Street until the early spring of 1913.

Whereas the paving of the road-bed of Broad Street has been delayed until late in the summer, and indications are that it will be about September, before work can commence, and whereas, as recommended by the Street Committee, that the street be paved with bitulithic instead of with asphalt blocks as first recommended, therefore be it

Resolved, That we the undersigned merchants and tax payers of Broad Street hereby petition the honorable Council and Board of Aldermen of Richmond, to pave Broad Street from curb to curb between the car rails included with asphalt block, as we believe this to be the best wearing, easiest repaired type of smooth paving on the main thoroughfare.

Resolved, That the honorable Council and Board of Aldermen be also requested to postpone the paving of Broad Street until the early spring of 1913, as we believe it now too late in the season to commence the work, for completion it will be time for the holding of the State Fair, and also cause the streets to be torn up and remain in bad shape during the fall and early winter, the busiest time of the year on this street.

Resolved, That we hereby petition the Council and Board of Aldermen to have all underground work, such as new car tracks, light and power conduits, gas and water mains laid before commencing the work of paving, and that the present construction of sewers, be retained in the treasury and a like amount be appropriated from the budget of next year, so that \$100,000 may be available for this work during the spring and summer of 1913. We therefore pray that the vote be postponed until next year, and that the material used when the work is done.

The letter from H. K. McCay, City Engineer of Baltimore, was addressed to the Retail Merchants' Association of Richmond, the president of which, Charles T. Norman, had asked him for an opinion as to the comparative merits of bitulithic and asphalt, based on its experience in Baltimore. Through a misunderstanding, Mr. McCay compared bitulithic with sheet, instead of with block, asphalt.

Says Bitulithic Is Unsatisfactory

The passage of Mr. McCay's letter bearing upon the matter in hand was as follows: "Our experience with bitulithic pavement has not been very successful. The cost of the same is excessive. We pay \$1.75 per square yard for asphalt paving, and bitulithic has cost us \$2.25 or more."

In a second letter Mr. Norman called attention to the misunderstanding and asked for a statement touching bitulithic as compared with block asphalt. To this Mr. McCay replied: "Block asphalt costs \$1.25 per square yard here, and when these blocks are well constructed we get an excellent street."

In the case of the Newark man, George A. Allport, member of Allport Brothers, prominent jewelers of that city, the letter which came as a reply to a series of questions put by W. H. Schwarzschild, of this city, condemned bitulithic in even stronger terms.

Went to Places in Short Time.

An extract from Mr. Allport's letter follows: "Our principal street for heavy trucking has just been paved with bitulithic paving, and it is too soon to say how it will stand the rough usage."

(Continued on Second Page.)

OFFICE IS CLOSED; INQUIRY ORDERED

Danville City Treasurer
Leaves for Parts
Unknown.

FIND NO SHORTAGE IN HIS ACCOUNTS

Books Reported in Shape and No
Deficit Found—State Ample
Protected by Security Com-
pany and Will Lose Nothing—
Relatives of Missing
Man Decline to Talk

(Special to The Times-Dispatch.)
Danville, Va., July 22.—Acting upon the theory that City Treasurer, W. S. Taylor has left Danville never more to return, the finance committee of the City Council ordered an investigation of the official books today, after a hurriedly called meeting which was held in the council chamber at midday. Immediately upon the ordering of the investigation, Mayor Harry Wooding ordered the office closed at once until further notice.

The action by the city finance committee was taken in view of the absence of Mr. Taylor from his office, and other rumors which had led to the belief that Taylor has left the city for parts unknown. The facts of the strange disappearance of the city treasurer who has held the position for the past two years and half are not yet altogether known as the relatives of the man, the only people who possess the authentic knowledge of the affair, are unwilling to make any statement regarding it. It is known, however, that Taylor left his office on Wednesday last on a semi-annual trip to settle the State accounts, and he added that he would be back on Saturday. Up to the present time he has not been seen in the city.

Letter From Taylor.

On Friday, Mrs. V. H. Purdum, Taylor's sister, received a letter from Taylor, it was signed "Ruck" under which name he went among his friends. The contents of this letter had not been made public. Mr. Purdum declining to tell this, the Dispatch representative what it contained. Mr. Purdum, however, stated that in his mind he thought Taylor had gone for good. Another letter was received by the same mail by one of Taylor's closest friends in the city. This letter had been made public, and there is no doubt in the recipient's mind that the writer has gone for good.

With the continued absence of Taylor this morning the local representative of the Lynchburg Assurance Company, which company is an insurance agent in the city, has been notified that the company will shortly after the ordering of the office investigation by the finance committee, the various banks where the city's money is deposited were visited and it was found there that there was no shortage. Later in the evening, after Acting City Auditor had gone through the treasurer's books for the past month, the statement was given out by Chairman Swann, of the finance committee, that his books were in order, and that there was no deficit.

State Is Protected.

A wire received from Richmond this evening stated that the State is amply protected by a security company and will lose nothing. It is thought most likely that an auditor dispatched from Richmond to look after the State's interest.

Late this evening it was learned from a man who had seen the letter that was addressed to Mrs. Purdum that Taylor ended the message by the words: "I would rather die than have to write this referring, no doubt to his departure. My life has been a failure."

It is generally thought that domestic infidelity is the cause of the treasurer's flight. Taylor was born in Leesburg, N. C., but when very young came to Danville, where he has lived all his life. During the Spanish war he went to the front as sergeant of Company "H," Third Regiment, Virginia Volunteers, in which capacity he served until his company was mustered out in the fall of '98. He married Miss Abbie Arlington, of Lynchburg, about nine years ago. Two years before his marriage he entered the treasurer's office as deputy, and after nine years service, at the retirement of the incumbent, he ran for the office and was elected. He was a popular young man, and this broke in his career came as a complete surprise.

Owes State About \$9,000.

(Continued on Seventh Page.)

WAR NOTESOUNDED IN NAVAL PROGRAM

England Hears Warning
From First Lord of
Admiralty.

INCREASED NAVY ONLY SAFEGUARD

Menace of Germany Held Up
Before Nation as Incentive to
"Build Untiringly" Through
Successive Years—Must
Ever Be Able to Over-
awe Kaiser.

London, July 22.—That Winston Spencer Churchill, first Lord of the Admiralty, introducing the supplementary naval appropriation of \$5,000,000 in the House of Commons this afternoon, fully intimated that it was approved by the Prime Minister with grave concern to the country that any warning which has come before. Without the least ostentatiousness, the first Lord of the Admiralty sketched the "unprecedented" rise of the German fleet, which he described as "extremely formidable."

In order to bring home its size to his hearers, Mr. Churchill likened it to the great fleet which all saw at Spithead a short time ago. His text was: "Build! Build! Build!" through successive years as the only means of meeting the menace in the North Sea. And as if that were not enough, Mr. Churchill told the House that if the information received by the Admiralty that a Mediterranean power—meaning Austria—was contemplating another considerable naval program proved to be true, it will constitute a naval factor resulting in our present situation, and not included in any forecast I have given of future naval construction.

Buildup Support Program.

Mr. Balfour, the former leader of the opposition, was prompt in his support of the government program. "Those who have listened to the speech of the first lord," he said, "must now be convinced that there is no use talking about dropping our shipbuilding. The cost of the navy must increase as long as insane competition in shipbuilding goes on elsewhere. And though modern peace is as expensive as modern war, it is much cheaper than modern war."

A notable feature of the debate was Premier Asquith's call to the Dominions to join in the defense of "our common heritage," and his remarks fore-shadowing an early summoning of the statement of the self-governing colonies to participate in determining the policy of the empire.

Mr. Churchill said the direct cause of the increase in expenditure on the British navy was to be found in the German navy law, the main feature of which was the increase in the striking force of ships of all classes. The effect of the New German navy law would, he said, be that nearly four-fifths of the entire German fleet would be maintained in full permanent readiness at all times, and instantly ready for war. The first in this category, "such preparation is remarkable, and as far as I am aware finds no example in the previous practices of modern naval powers."

Mr. Churchill then announced the British shipbuilding program for the next five years, saying that five battleships were to be constructed next year, and four in each of the following years.

Big Fleet at Gibraltar.

The four battleships at Gibraltar, the speaker said, would be raised to eight vessels. Six old battleships would be withdrawn from Malta and be replaced by four battle cruisers of the invincible type and quality.

The armored cruiser squadron there was to be strengthened by the addition of a submarine flotilla. The naval station at Malta was to be increased, Mr. Churchill said, and new torpedo boat stations were to be established at Alexandria.

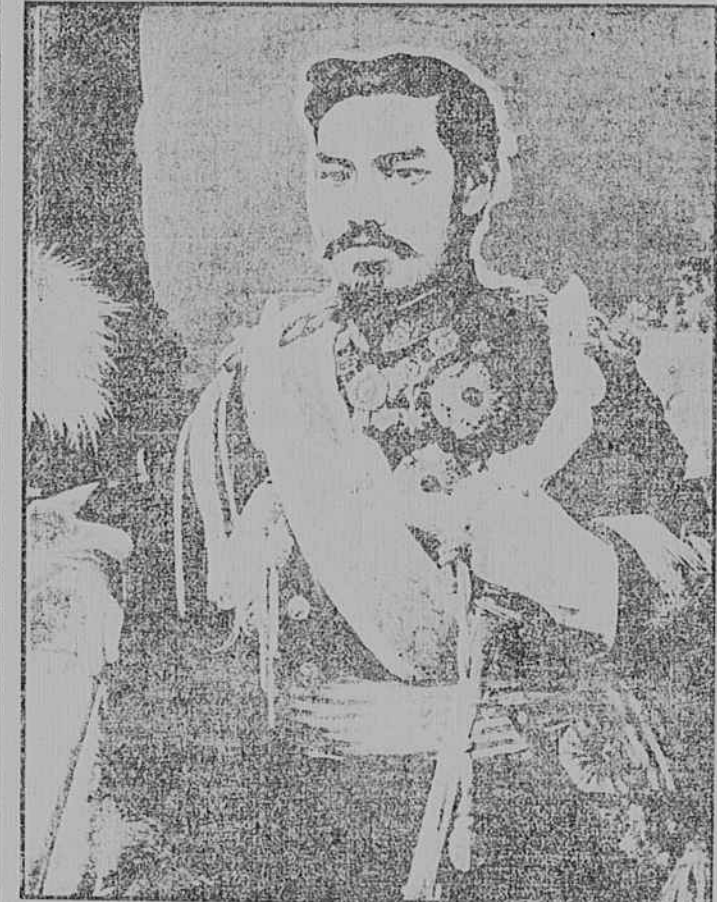
The first Lord declared that he heard one of the Mediterranean powers contemplated another considerable naval program, so it was not unlikely that the British Mediterranean squadron would have to be reinforced in 1913.

Under the new German law, the first Lord said, the ultimate scale of the German fleet would be twenty-four battleships, two large armored cruisers, forty small cruisers and smaller craft in all. "That will be an extremely formidable fleet," Mr. Churchill said, "and the only way to meet it is by bold, steady and methodical preparation prolonged over successive years."

The supplementary estimate to meet the extra German expenditure, Mr. Churchill said, is only a small statement, and the new shipbuilding program of the next five years will be raised to five vessels next year and four in 1913, four in 1914, three in 1915, four in 1916 and three in 1917, the number I had hoped we might stand at."

(Continued on Third Page.)

EMPEROR'S ILLNESS STILL IS CRITICAL



MITSUHIRO, EMPEROR OF JAPAN.

Tokyo, July 23.—The extreme tension caused by the illness of Mutsuhiro, the Emperor of Japan, has generally relaxed, but the attending physicians say that while there is reason to wait a full week before assurance can be given respecting the outcome.

The improvement noted Sunday was maintained yesterday, and the bulletin issued by the court physicians indicated that the maladies from which the Emperor is suffering have been gotten under control at least temporarily. The latest bulletin, issued at 5 o'clock this morning, gave briefly the results of the physician's examination made at 3:30 A. M. It stated that the improved conditions were generally

sustained, but that His Majesty had been unable to sleep. The temperature of the patient at that hour was 102.4.

At 5:30 o'clock a minister of the Imperial household gave out the information that the Emperor was sleeping soundly, and that his appetite had improved.

Expressions of concern couched in unusually sympathetic terms are being received from every quarter of the world, from rulers, great business houses and individuals. Ten thousand pilgrims daily are visiting the Imperial shrine of Ise to pray for the recovery of the Emperor. It is announced that Prince Katsura will quit Japan for his visit to Russia, leaving St. Petersburg for Japan on July 27.

Meanwhile the country-wide search for the actual assassins of Rosenthal continued, as police and private detectives whom the district attorney had employed taking an active hand, five men whose names have been obtained from those under arrest are wanted and some of them are understood to be in Chicago, having fled New York from the district attorney's grasp. Commissioner Dougherty has admitted that the actual murderers are not in custody.

The grand jury is busy with two propositions—the question of police participation in gambling, as charged by Rosenthal, and the matter of Lieutenant Charles Becker, head of the "strong arm squad," who has been the central figure in the charges against the police, to-day was transferred to an uptown precinct, where he will do his duty.

When William Shapiro, Louis Libby, chauffeurs and owner of the "murder car" Louis "Bridge" Webber, "Bald Jack" Rose and Sam Paul were arraigned before Coroner Feinberg for examination hundreds of persons were on hand to gain admission to the courtroom.

When Coroner Feinberg called the hearing to order, District Attorney Whitman, for the people, asked adjournment of the case involving Shapiro and Libby. Mr. Whitman declared that "public interest and the interest of justice" demanded an adjournment. Adjournment in these cases then was ordered until Thursday.

Objects to Postponement.

Counsel for "Bald Jack" Rose objected to postponement in his case. Mr. Whitman thereupon asked that Deputy Police Commissioner Dougherty be called as the first witness.

Commissioner Dougherty testified that Rose, following his arrest, admitted to him that the gray car, known as the "murder car," had been hired by him on the night Rosenthal was murdered in front of the Hotel Metropole. Dougherty declared he had also questioned other persons, whom he would not name, whose statements, he said, made it impossible for Rose to deny successfully his part in the crime.

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ACTUAL SLAYERS NOT IN CUSTODY

Police Still Hunt As-
sassin of Gambler
Rosenthal.

FIVE ARRAIGNED BEFORE CORONER

Names of Fugitives Obtained by
Detectives and Dragnet Is Set
for Their Capture—Mayor
Gaynor Enters Case, and
Orders Officers to Work
in Harmony.

New York, July 22.—"Bald Jack" Rose, Sam Paul, "Bridge" Webber, William Shapiro and Louis Libby, all held by the police for complicity in the murder of Herman Rosenthal, the gambler, early last Tuesday morning, were arraigned before Coroner Feinberg to-day. The results of the hearing in which the district attorney won the first skirmish with the attorneys for the accused, are briefly as follows:

Rose, gambler and friend of Lieutenant Becker, whom Rosenthal charged with being his partner, was held without bail for the coroner's inquest this morning. Rose is said to have hired the "murder car" in which the gamblers later went to assassinate Rosenthal.

Louis Libby, part owner of the automobile, was held for the presentation of further evidence Thursday, and the case of William Shapiro, chauffeur of the car, was likewise put over to that day.

"Bridge" Webber, the gambler in whose place in Forty-second Street the gun gang is said to have congregated and Sam Paul were held without bail until Wednesday.

Jack Sullivan, alleged go-between for Rose and Lieutenant Becker, was held as a material witness in \$1,500 bail, which was furnished.

Gaynor Enters Case.

Another important development of the day was the entrance of Mayor Gaynor into the case, by order of the Mayor the independent investigations which have been conducted by the police and district attorney's office, were concentrated under District Attorney Whitman.

Mayor Gaynor this morning summoned Police Commissioner Wadsworth and instructed him and Deputy Commissioner Dougherty to act in harmony with the district attorney, no matter what friction might develop between them. The result was that Dougherty went at once to see Mr. Whitman.

Meanwhile the country-wide search for the actual assassins of Rosenthal continued, as police and private detectives whom the district attorney had employed taking an active hand, five men whose names have been obtained from those under arrest are wanted and some of them are understood to be in Chicago, having fled New York from the district attorney's grasp. Commissioner Dougherty has admitted that the actual murderers are not in custody.

The grand jury is busy with two propositions—the question of police participation in gambling, as charged by Rosenthal, and the matter of Lieutenant Charles Becker, head of the "strong arm squad," who has been the central figure in the charges against the police, to-day was transferred to an uptown precinct, where he will do his duty.

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WIRES RESIGNATION TO PRESIDENT TAFT

Judge Hanford Quits Bench
While Under Fire From
Accusers.

HEARING IS TERMINATED

Thus Ends Case Which Had Been
Replete With Sen-
sations.

Failure to Secure Redress From
Mexico Is Termed
Disgraceful.

Washington, July 22.—In a strong arraignment for its failure to secure redress for its failure to secure redress and property, resulting from the Mexican insurrections and revolution, Senator Albert B. Fall, of New Mexico, declared in the Senate to-day that this country would not regain its prestige in Mexico in fifty years. He declared that China, Germany and other countries had forced Mexico to make restitution for the damages inflicted on their citizens. This, he said, the United States had done nothing. He added that because of the course of the State Department, the people of Mexico believed that this country is behind the Madero government, and that it was responsible for the overthrow of President Diaz in the interest of Madero.

"If the people of the United States knew all the facts," declared Senator Fall, "not all the soldiers in the country would be able to prevent the crossing of the border because of the indignation that would be aroused. And yet nothing has been done to relieve the most intolerable condition that American citizens were ever compelled to undergo."

Senator Fall urged the adoption of the resolution instructing the War Department to ascertain the extent of the damage caused by Mexican bullets fired across the American line during the engagements last year at Douglas, Ariz., and El Paso, Tex. He declared the resolution did not go far enough. He said there had been no world of protest from the American government, although its citizens had been killed, women outraged and over \$500,000,000 worth of property destroyed by Mexicans.

The Senator gave many instances of the injuries and loss inflicted on American citizens. Senator Swanson, of Virginia, declared the State Department should be urged to act.

"If the story is true," he said, "we should hang our heads in shame and disgrace."

(Continued on Ninth Page.)

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